

**BANGKO SENTRAL NG PILIPINAS**  
**INCOME STATEMENTS**  
For the Years Ended December 31, 2017 and 2016  
(In Philippine Peso)

|   | Note     | 2017                    | 2016<br>(as restated)   |
|---|----------|-------------------------|-------------------------|
| <b>Operating Income</b>                                   |          |                         |                         |
| <b>Income from foreign currency financial assets</b>      |          |                         |                         |
| Interest income   | 2.8.1/32 | 51,211,734,590          | 40,831,286,916          |
| Trading gain/(loss) - foreign                             | 2.8.3    | (2,345,205,813)         | 14,478,009,324          |
| Fees - Foreign  |          | 172,638                 | 589,525                 |
| Premium received on call/put option                       |          | 608,126,951             | 764,153,363             |
| Miscellaneous income                                      |          | 20,967,288              | 29,533,633              |
|   |          | <b>49,495,795,654</b>   | <b>56,103,572,761</b>   |
| <b>Expenses on foreign currency financial liabilities</b> |          |                         |                         |
| Interest expense  | 2.8.1/32 | (2,649,215,201)         | (2,223,654,161)         |
| Other foreign currency expenses                           |          | (977,901,723)           | (917,492,626)           |
|   |          | <b>(3,627,116,924)</b>  | <b>(3,141,146,787)</b>  |
| <b>Foreign currency income</b>                            |          | <b>45,868,678,730</b>   | <b>52,962,425,974</b>   |
| <b>Income from local currency financial assets</b>        |          |                         |                         |
| Interest income   | 2.8.1/32 | 7,058,441,709           | 6,013,432,480           |
| Trading gain - domestic                                   |          | 2,620,434               | 2,267,306               |
|   |          | <b>7,061,062,143</b>    | <b>6,015,699,786</b>    |
| <b>Expenses on local currency financial liabilities</b>   |          |                         |                         |
| Interest expenses   | 2.8.1/32 | (32,855,567,302)        | (41,396,329,173)        |
| Impairment losses on loans and advances                   | 2.9.3    | (56,495,925)            | (435,532,118)           |
| Final tax paid on interest income/discounts               |          | (1,040,370,785)         | (793,460,596)           |
|   |          | <b>(33,952,434,012)</b> | <b>(42,625,321,887)</b> |
| <b>Local currency loss</b>                                |          | <b>(26,891,371,869)</b> | <b>(36,609,622,101)</b> |
| <b>Income from net financial accounts</b>                 |          | <b>18,977,306,861</b>   | <b>16,352,803,873</b>   |
| Other operating income                                    | 33       | 19,007,625,546          | 7,909,142,339           |
| Currency printing and minting cost                        | 34       | (8,060,937,904)         | (9,239,503,355)         |
| Operating expenses  | 35       | (20,755,751,265)        | (16,533,624,228)        |
| <b>Net income/(loss) before FX rates fluctuation</b>      |          | <b>9,168,243,238</b>    | <b>(1,511,181,371)</b>  |
| <b>Net gain on FX rates fluctuation</b>                   | 2.8.3    | <b>15,478,154,129</b>   | <b>19,123,837,557</b>   |
| <b>Net income before income tax</b>                       |          | <b>24,646,397,367</b>   | <b>17,612,656,186</b>   |
| <b>Income tax expense</b>                                 | 2.28/40  |                         |                         |
| Current tax expense                                       |          | (1,277,022,253)         | 0                       |
| Deferred tax (expense)/benefit                            | 40.2     | 136,460,371             | (106,502,838)           |
|   |          | <b>(1,140,561,882)</b>  | <b>(106,502,838)</b>    |
| <b>Net Income for the year</b>                            | 36       | <b>23,505,835,485</b>   | <b>17,506,153,348</b>   |

The Notes on pages 12 to 77 form part of these Financial Statements.